

THIS REPORT CONTAINS ASSESSMENTS OF COMMODITY AND TRADE ISSUES MADE BY USDA STAFF AND NOT NECESSARILY STATEMENTS OF OFFICIAL U.S. GOVERNMENT POLICY

Voluntary - Public

Date: 12/18/2018
GAIN Report Number: E18070

EU-28

Post: Brussels USEU

European Union Unveils Its Protein Plan

Report Categories:

Biotechnology and Other New Production Technologies
Oilseeds and Products
Policy and Program Announcements

Approved By:

Jennifer Lappin

Prepared By:

Sophie Bolla and Jennifer Lappin

Report Highlights:

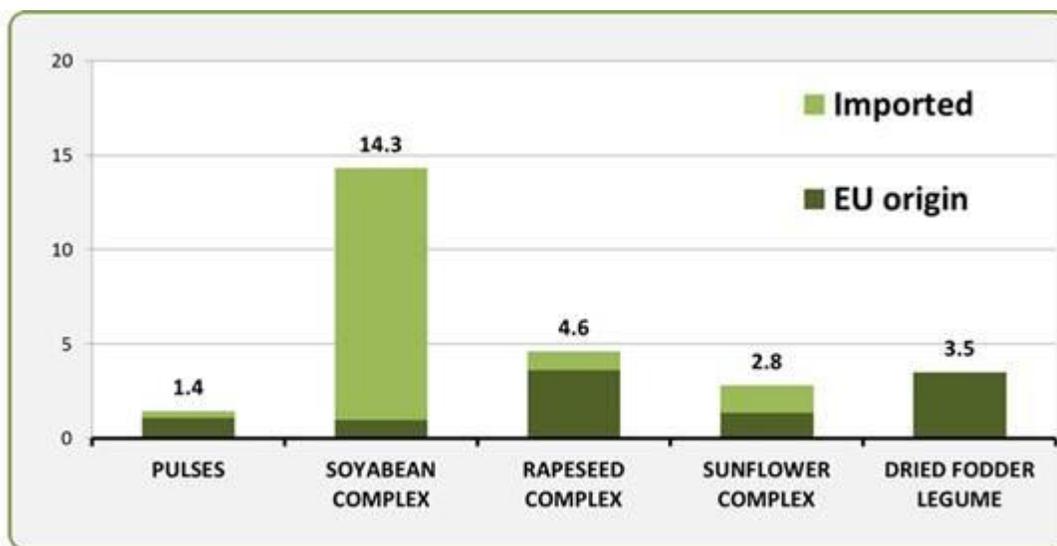
On November 22, the EU published its report on “The Development of Plant Proteins in the European Union.” This document is a result of a yearlong stakeholder and expert consultation. It comes after calls from the European Parliament and the Council to have a European Protein Plan. The EU is indeed dependent on imports for its protein needs, as it imports approximately 75 percent of its consumption. The growth of the EU-grown protein sector is seen as an opportunity for reduced dependency on imports, and for European farmers to answer consumer demands for European-grown commodities. This GAIN report highlights excerpts from the plant proteins report. It also relays insights from the November 21-22 conference in Vienna, Austria “[The Development of Plant Proteins in the European Union - Opportunities and Challenges](#)”, including reactions to the judgement by the Court of Justice of the European Union regulating new plant breeding techniques as Genetically Modified Organisms (GMOs).

Background Information:

From November 22-23, the European Commission and the Austrian Presidency of the Council of the EU held a conference on plant proteins in Europe, following an extensive stakeholder consultation and the publication of a long-awaited report on [The Development of Plant Proteins in the European Union](#).

The Commission addressed the report to the Council of the European Union (EU) and the European Parliament, which have both been calling for a European strategy on protein crops. In July 2017, 14 Member States signed the [Europe Soya Declaration](#), which aims to boost soy cultivation in Europe. In April 2018, the Parliament adopted an [own-initiative report](#) on “A European Strategy for the Promotion of Protein Crops – Encouraging the Production of Protein and Leguminous Plants in the European Agriculture Sector.” Both called on the Commission to set up a plan to reduce Europe’s dependency on third countries for protein crops and animal feed.

Currently, European production of protein crops is not sufficient to cover demand. For the marketing year 2016-2017, the EU’s demand for plant proteins amounted to around 27 million [1] tons of crude protein. The feed market is by far the most important outlet as it represents 93 percent in volume and is mainly supplied by oilseed meals such as rapeseed, sunflower seeds and soy beans; pulses: beans, peas, lentils and lupines. The EU imports more than 75 percent of its protein supply, including 95 percent of its soy cake consumption, from third countries, mainly from Brazil, the United States, and Argentina. [2] Soy is the largest agricultural import into the EU from the U.S. with a value of USD 1.94 billion in 2017. [3] This represented 12.6 percent of all U.S. agricultural exports to the EU. Following China’s retaliatory tariffs against U.S. soy, American soy exports to the EU are expected to increase substantially for calendar year 2018 – exports already [doubled](#) for July-November 2018 compared to the same period in 2017.



Source: EU Commission. "Complex" includes meals, seeds and beans

Graph 1: 2016/17 EU use of proteins and their sources (in million tons of crude protein)

The EU would need an additional 18 million hectares to produce enough soy for the European feed

industry without reducing the production of other crops. With [the proposal](#) for the Common Agricultural Policy (CAP) post 2020, the Commission is looking to increase the production of plant proteins by rewarding the benefits of legumes for environment and climate objectives through eco-schemes.

During the conference, EU Commissioner for Agriculture and Rural Development, Phil Hogan, [acknowledged](#) that due to a variety of market and climatic factors, European protein crop production is not sufficient to cover the growing demand and that in the context of increasing global food demand, imports of protein for feed will likely continue in Europe. However, he added that plant proteins represent an economic opportunity for European farmers and that “the EU-grown protein crops will also find their place on the European market.”

Towards “premium feed” and a “valorization” of European production

To jumpstart the market for European farmers, the Commission’s report indicates a positioning of European feed as “premium” feed. Premium is not defined by higher protein content or enhanced nutrition but appears to be that it would be non-genetically modified (GM) and not linked to deforested areas. Conference panelists proposed that this “premium” positioning will ultimately lead to more production of EU-grown feed, as there is a growing demand from European consumers. The share of non-GM feed represents nine percent of the global market and eleven percent in the EU. [4]

A representative of Europe Soya put forward the idea of having voluntary labeling for animal products produced with European non-GM feed to create a level-playing field between imports and EU-grown soy. He also called on the Commission to create standards on deforestation. Several participants echoed this idea during the two-day conference. The EU plant protein industry is favoring the “valorization” of the EU plant protein supply chain through labels (e.g., geographical indications, country of origin labeling, non GM-labels, etc.) and environmental criteria to try to accelerate production and to affect a branding for the commodity on the world market. The EU has approximately 40 pulses for food protected in the EU through geographical indications. In other sectors, enthusiasm for origin labeling has been controversial for many EU policy makers due to fears that it renationalizes supply chains and undermines the EU’s single market. For more information, see [GAIN Report E17049](#).

New Plant Breeding Techniques Remain in the Background.

The main EU legislation for regulating Genetically Modified Organisms (GMOs) on the market, EU Directive 2001/18, has thus far been applied for approving the use/cultivation/import of GM plants bred through a process that inserts foreign DNA into a target species. The Directive is process- and not product-driven. The regulatory approval procedures in Directive 2001/18 are also lengthy and expensive for applicants. In July 2018, the Court of Justice of the European Union (ECJ) [found](#) that plants derived from newer breeding processes, such as CRISPR Cas9 are regulated by the “GMO Directive.” This judgment expanded the Directive to cover plants bred through genome editing regardless of the possible risk associated with the product. In effect, the ruling leads to the overregulation of products that pose little or no risk, and creates large, costly regulatory hurdles for public and private scientists and seed breeders [5]. Many applications of CRISPR Cas9 and other site-directed mutagenesis breeding techniques that do not use foreign DNA result in products that could readily arise through natural mutations, making many alternations impossible to detect. In November 2018, the European Commission’s Group of Chief Scientific Advisors [published a statement](#) on the

possible adverse consequences of the ECJ ruling for consumers, farmers, for innovation and for trade, and the rationale for reforming the GMO Directive.

The EU Protein Strategy final report did not discuss how recent EU restrictions on the use of these breeding tools could adversely affect attaining the goals of the protein plan, e.g. breeding more productive, resilient protein crops adapted to the climatic and environmental conditions present in the EU. At the conference, a few panelists reflected on the ECJ ruling noting that the EU will lose competitiveness and European farmers will be placed at a disadvantage. The panelist from the Danish National Bioeconomy Panel added that the ruling will create market barriers for small-scale breeders, will impede opportunities in the breeding sector that other countries will be able to access, and will create major trade disturbances. Recognizing the issue of EU competitiveness if this technique is wholly restricted, another stakeholder argued that protection is needed for EU breeders and farmers through traceability and enforcement schemes. The state of the science does not allow for verifiable traceability given that similar genetic variations occur naturally, and crops developed through these techniques can be genetically identical to crops exempt from the “GMO Directive.” An EU Commission official acknowledged the complications with the ECJ ruling and the critiques of the judgement lodged by EU scientists and researchers, such as those relayed by the Commission’s Scientific Advisors and private citizens, see: [Science Media Centre](#).

^[1] EC Report on “The Development of Plant Proteins in the European Union”

^[2] EC Report on “The Development of Plant Proteins in the European Union”

^[3] Data from USDA Global Trade Atlas

^[4] EC Report on “The Development of Plant Proteins in the European Union”

^[5] More information on the ECJ ruling can be found in the USDA FAS [GAIN Report E18052](#), “EU Court Extends GMO Directive to New Plant Breeding Techniques”